

Introduced by Senator Harman

February 23, 2007

An act to add Section 19551.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 978, as amended, Harman. Disclosure of information.

Existing franchise and income tax laws authorize the Franchise Tax Board to permit tax officials of any city to obtain specified tax information from the board.

This bill would require cities to annually furnish to the board specified information for businesses that have been assessed a tax or issued a license during the preceding calendar year, as provided.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19551.5 is added to the Revenue and
- 2 Taxation Code, to read:

1 19551.5. (a) Notwithstanding any other law, each city that
2 assesses a city business tax or requires a city business license shall
3 annually furnish to the Franchise Tax Board the information
4 ~~described in subdivision (b) for all businesses that have been~~
5 ~~assessed that tax or have been issued a license during the preceding~~
6 ~~calendar year of that city. that is collected in the course of~~
7 ~~administration of the city's business tax program, as described in~~
8 ~~subdivision (b).~~

9 (b) Information, collected in the course of administration of the
10 city's business tax program, limited to the following:

11 (1) Name of the business if a corporation, partnership, or limited
12 liability company, or the owner's name if a sole proprietorship.

13 (2) Business mailing address.

14 (3) Federal employer identification number, if applicable, or
15 the business owner's social security number.

16 (4) North American Industry Classification Code (NAICS)
17 System (NAICS) Code or Principal Business Activity Code.

18 (5) Business start date.

19 (6) Business cease date.

20 (7) Status of license.

21 (8) City number.

22 (9) Ownership type.

23 (c) The reports required under this section shall be filed on
24 magnetic media such as tapes or compact discs, through a secure
25 electronic process, or in other machine-readable form, according
26 to standards prescribed by regulations by the Franchise Tax Board.

27 (d) Cities shall begin providing to the Franchise Tax Board the
28 information required by this section as soon as economically
29 feasible, but no later than December 31, 2008. The information
30 shall be furnished annually at a time and in the form that the
31 Franchise Tax Board may prescribe by regulation.

32 (e) The city data provided to the Franchise Tax Board under
33 this section is subject to Section 19542, and may not be used for
34 any purpose other than state tax enforcement or as otherwise
35 authorized by law.

36 SEC. 2. If the Commission on State Mandates determines
37 that this act contains costs mandated by the state, reimbursement
38 to local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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